Kazuhiko Koguchi  
Executive Director for Japan  
On behalf of the Ministry of Finance of Japan  
The World Bank  
1818 H Street, N.W.  
Washington D.C. 20433  
U.S.A.

Dear Mr. Koguchi;

**Contribution Agreement between the Ministry of Finance of Japan and the International Bank for Reconstruction and Development concerning the Capacity-Building Initiative for Transparency Fund (MTO No. 069032)**

We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD"), as trustee of the Capacity-Building Initiative for Transparency Fund ("CBIT Fund") (the "Trustee"), the intention of the Ministry of Finance of Japan, (the "Donor") to make available to the Trustee the sum of one million six hundred sixty-six thousand six hundred sixty-seven United States Dollars (USD 1,666,667) (the "Contribution") to the CBIT Fund.

The Conference of the Parties to the United Nations Framework Convention on Climate Change (the "UNFCCC") at the twenty-first meeting ("COP 21") adopted the Paris Agreement and decided to establish a Capacity-Building Initiative for Transparency to support developing country parties build institutional and technical capacity both pre and post 2020.

The Conference of the Parties in its decision urged and requested the Global Environment Facility (the "GEF") to make arrangements to support the establishment and operation of the Capacity-Building Initiative for Transparency to complement existing support under the GEF.

The GEF Council, on June 8, 2016, approved the arrangements proposed for the establishment of the CBIT Fund (GEF/C.50/05) and the Programming Directions for the CBIT (GEF/C.50/06), and invited the IBRD to act as Trustee.

The Contribution shall be administered by the Trustee in accordance with the terms of this Agreement, and the "Standard Provisions Applicable to CBIT Fund" (the "Standard Provisions") attached hereto as Annex 1. The Standard Provisions constitute an integral part of this Agreement.

Other donors are also expected to contribute to CBIT on the terms and conditions specified in the Standard Provisions.

The Contribution shall be made available by transfer from the Policy and Human Resources Development Fund (TF072610) (the "PHRD Fund"). Accordingly, the Donor hereby authorizes the Trustee, as administrator of the PHRD Fund, to transfer the Contribution promptly following countersignature of this Agreement from the PHRD Multilateral Account (TF083312) to the CBIT Fund (MTO No. 069032).
The Trustee shall convert the Contribution funds into the holding currency of CBIT Fund, namely, United States Dollars, promptly upon receipt of the Contribution funds and the Deposit Instruction containing the information specified in the preceding paragraph at the exchange rate obtained by the Trustee on the date of the conversion. Where the Contribution proves to be insufficient to complete the activities as a result of an exchange rate fluctuation, neither the Trustee nor the Donor shall bear any responsibility for providing any additional financing.

The offices responsible for coordination of all matters related to the implementation of this Agreement are:

For the Trustee:

Dirk Reinermann  
Director, Trust Funds and Partner Relations  
Development Finance

The World Bank  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.

Telephone: +1 202.473.7654  
Facsimile: +1 202.614.0795

For the Donor:

Mr. Munenari Nomura  
Director, Development Issues International Bureau  
Ministry of Finance,  
3-1-1, Kasumigaseki, Chiyoda-ku  
Tokyo, 100-8940  
Japan

Telephone: +81-3-3581-4111  
Facsimile: +81-3-5251-2161

This Agreement may be amended only by written agreement between the Trustee and the Donor; provided, however, that Annex 1 (Standard Provisions) to this Agreement may only be amended with the agreement of all Donors contributing to the CBIT Fund.
Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Trustee of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,

as Trustee of the Capacity-Building Initiative for Transparency Fund

AGREED:

MINISTRY OF FINANCE OF JAPAN

By: [Signature]

Date: 10/14/17

Name: Kogushi, Kazuhiko

Title: Executive Director for Japan
ANNEX 1

Standard Provisions Applicable to Contributions to CBIT Fund

The following provisions (the "Standard Provisions") shall be applicable to, and shall form an integral part of all agreements entered into between the International Bank for Reconstruction and Development (the "IBRD"), as trustee of the Capacity-Building Initiative for Transparency Fund ("CBIT Fund") (the "Trustee") and donor countries and/or organizations (jointly, the "Donors", individually, a "Donor") that provide contributions to CBIT Fund (the "Contributions") to be administered by the Trustee. Defined terms used in the Standard Provisions and not defined herein have the same meaning as provided for such terms in the Instrument for the Establishment of the Restructured Global Environment Facility (the "Instrument").

1. Administration of the Contributions

1.1. The Trustee shall be responsible only for performing those functions specifically set forth in this Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the IBRD under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. The Contribution funds shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the IBRD. The Contribution funds shall be held in United States Dollars. The Contribution funds may be commingled with other trust fund assets maintained by the IBRD.

2. Exchange and Investment of the Contributions

2.1. The Contribution funds may be freely exchanged by the Trustee into other currencies as may facilitate their administration and disbursement of funds.

2.2. The Trustee shall invest and reinvest the Contribution funds pending their disbursement in accordance with the IBRD's policies and procedures for the investment of trust funds administered by the IBRD. The Trustee shall credit all income from such investment to CBIT Fund to be used for the same purposes as the Contribution funds.

3. Administrative Costs

3.1. The Trustee shall annually submit to the GEF Council acting as the Capacity-Building Initiative for Transparency Fund Council (the "CBIT Fund Council"), for approval, a request for its proposed administrative fee for the GEF fiscal year to cover the expenses incurred by the Trustee in the administration of CBIT Fund. Upon approval by the CBIT Fund Council, the Trustee will receive the amount of the administrative fee so approved, payable from the principal of CBIT Fund.

3.2. The Secretariat of the GEF (the "Secretariat") will receive the administrative budget approved by the CBIT Fund Council to cover the expenses incurred by the Secretariat in the performance of its responsibilities in connection with the CBIT Fund. Upon approval by the CBIT Fund Council, the Trustee will transfer to the Secretariat the amount of the administrative budget so approved, payable from the principal of CBIT Fund.
4. **Use of Resources**

The Trustee may use the resources of CBIT Fund for any purpose authorized by the CBIT Fund Council or the CEO, as applicable pursuant to the guidance of the Conference of the Parties to the UNFCCC and the provisions of the Instrument, as such provisions or guidance may be amended from time to time, and otherwise, as authorized by the Contribution Agreement.

5. **Procedures to Govern Use of Resources**

5.1. All amounts of CBIT Fund resources in respect of which the Trustee, pursuant to paragraph 4 above, is authorized by the CBIT Fund Council or the CEO to commit and transfer to the GEF Partner Agencies (individually, an “Agency”), which amounts may include funds to cover the reasonable expenses incurred by the Agencies in the performance of their responsibilities, will be committed and transferred in accordance with agreements entered into separately between the Trustee and the Agencies.

5.2. Except as provided in paragraph 5.1 above, the Trustee shall have no responsibility to the Donors for the use by the Agencies of the funds so transferred to them. Policies and procedures of each Agency shall apply to the use of CBIT Fund resources as more particularly provided in the agreements entered into between the Trustee and each Agency.

6. **Accounting, Reporting and Auditing**

6.1. The Trustee shall maintain separate records and ledger accounts in respect of the Contributions deposited in and the funds credited to CBIT, and commitments and disbursements made therefrom.

6.2. For as long as any resources remain in CBIT Fund, the Trustee shall report to the CEO quarterly on the status of resources in CBIT Fund. The Trustee shall also provide the CBIT Fund Council with an annual unaudited financial statement with respect to CBIT Fund. Such statements will be prepared in United States dollars (“Dollars”).

6.3. The Trustee shall provide to the CBIT Fund Council, within six (6) months following the end of each IBRD fiscal year, an annual single audit report, comprising: (1) a management assertion together with an attestation from IBRD’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (2) a combined financial statement for all cash-based trust funds together with IBRD’s external auditor’s opinion thereon. The cost incurred in connection with such single audit shall be borne by IBRD.

6.4. If the CBIT Fund Council wishes to request, on an exceptional basis, a financial statement audit by IBRD’s external auditors of CBIT Fund, the CBIT Fund Council and the Trustee shall first consult as to whether such an external audit is necessary. The Trustee and the CBIT Fund Council shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Trustee shall arrange for such an external audit and forward a copy of such auditors’ report to the CBIT Fund Council. The Trustee may deduct the cost of such audits, including the Trustee’s internal costs in connection with such audits, from the resources of CBIT Fund. If such funds are insufficient to cover the cost of such audits, the Donors will pay the Trustee such amount as is required to reimburse the Trustee for the cost of such audits. The Donors shall share the amount of such payment on a pro rata basis based on the actual cumulative contributions made to CBIT Fund.
7. **Additional Contribution**

The Donor may make additional contributions to CBIT Fund from time to time. The Donor shall notify the Trustee of such additional contributions in writing substantially in the form attached hereto as Attachment 1.

8. **Termination**

8.1 No new Contributions will be received by the Trustee and no new allocations will be made by the CBIT Council after the end contribution date (the “End Contribution Date”). The End Contribution Date is June 30, 2018 unless otherwise decided by the CBIT Council. No commitments and cash transfers to the GEF Partner Agencies will be made by the Trustee five years after the End Contribution Date unless otherwise agreed between the Trustee and the Secretariat (the “End Transfer Date”). CBIT Fund will terminate 18 months after the End Transfer Date.

8.2 Notwithstanding the foregoing, the Trustee may terminate its role as Trustee of the CBIT Fund at any time after providing the Council six (6) months’ advance notice in writing. Following termination, the Trustee shall carry on no business for the Trust Fund except for the purpose of winding up its affairs. The Trustee shall, in consultation with the CBIT Council to the extent possible, take all necessary action for winding up its affairs in an expeditious manner, and for meeting the commitments already made by the Trustee and the transfer or return of the Donor’s Share (as defined below) in any remaining funds, assets and receipts in the CBIT Fund in accordance with paragraph 9.1 and 9.3.

9. **Donor’s Share**

9.1 Subject to Paragraph 9.2 and where so provided in these Standard Provisions, Donors providing Contributions to the CBIT Fund may receive the CBIT Fund resources in the amount equal to the Donor’s Share as of the date of calculation which will consist of the pro-rata share of any remaining balance of the CBIT Fund funds that has not been allocated by the CBIT Council including return of funds from the Trustee, Secretariat and the GEF Partner Agencies respectively (Donor’s Share). The pro-rata share will be calculated by the Trustee based on the aggregate amount of the Donor’s contribution paid to the CBIT Fund, relative to the aggregate amount of all Contributions received in the CBIT Fund as of the date of calculation.

9.2 Upon three (3) months’ advance written notice, any Donor may, cancel all or part of the Donor’s Share in the CBIT Fund. In the event of such cancellation, the Trustee shall, as instructed by the relevant Donor in writing, return to such Donor the amount of the Donor’s Share (as defined in 9.1 above) cancelled as of the date that is three (3) months after the receipt by the Trustee of the written notice by the Donor, but return such amount only as and when such resources are made available to the Trustee.

9.3 Within six (6) months following the delivery of termination notice under paragraph 8.2 or the End Transfer Date, the Trustee shall, as instructed by each Donor in writing return to each Donor the amount of its respective Donor’s Share of the remaining balance of the CBIT Fund; provided that any such return will be made as and when such resources are made available to the Trustee.

10. **Disclosure**

The Trustee may disclose this Agreement and related information on CBIT Fund in accordance with the IBRD Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Agreement and related information on CBIT Fund.
FORM OF NOTICE OF ADDITIONAL CONTRIBUTION

Mr. Dirk Reinermann  
Director, Trust Funds and Partner Relations  
Development Finance International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C.  
U.S.A.

Capacity-Building Initiative for Transparency Fund (MTO No 069032)

Dear Mr. Reinermann,

Reference is made to the Contribution Agreement (the “Agreement”) dated [date] between [name of donor] (the “Donor”) and the International Bank for Reconstruction and Development (“IBRD”), as trustee of the Capacity-Building Initiative for Transparency Fund (“CBIT Fund”) (the “Trustee”). Defined terms used in this Notice and not defined herein shall have the meanings given to them in the Agreement.

Pursuant to paragraph 7 of the Standard Provisions, we are pleased to inform you that [name of donor] agrees to make an additional contribution in the amount of [amount] [currency] ([currency] [amount]) (the “Additional Contribution”) to CBIT Fund.

The Additional Contribution shall be administered by the Trustee in accordance with, and subject to the terms of the Agreement, and shall be used for the purposes described in the Standard Provisions. The Donor authorizes the Trustee to use the Additional Contribution for such purposes.

The Additional Contribution, payable in cash in [insert currency], will be paid into such account with such bank so designated in a payment request by the Trustee for this purpose upon submission of a payment request by the Trustee.

The IBRD will disclose this Notice and related information on CBIT Fund in accordance with the IBRD Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Notice and related information on CBIT Fund.
Please confirm your acceptance of the Additional Contribution by signing and returning a copy of this Notice.

Sincerely,

[NAME OF DONOR]

By: ________________________________

CONFIRMED:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
as Trustee of the Capacity-Building Initiative for Transparency Fund

By:

Dirk Reinermann
Director, Trust Funds and Partner Relations
Development Finance